SOLTEQ PLC

2001

ANNUAL REPORT

Contents

Solteq in Brief

Genuine Partner

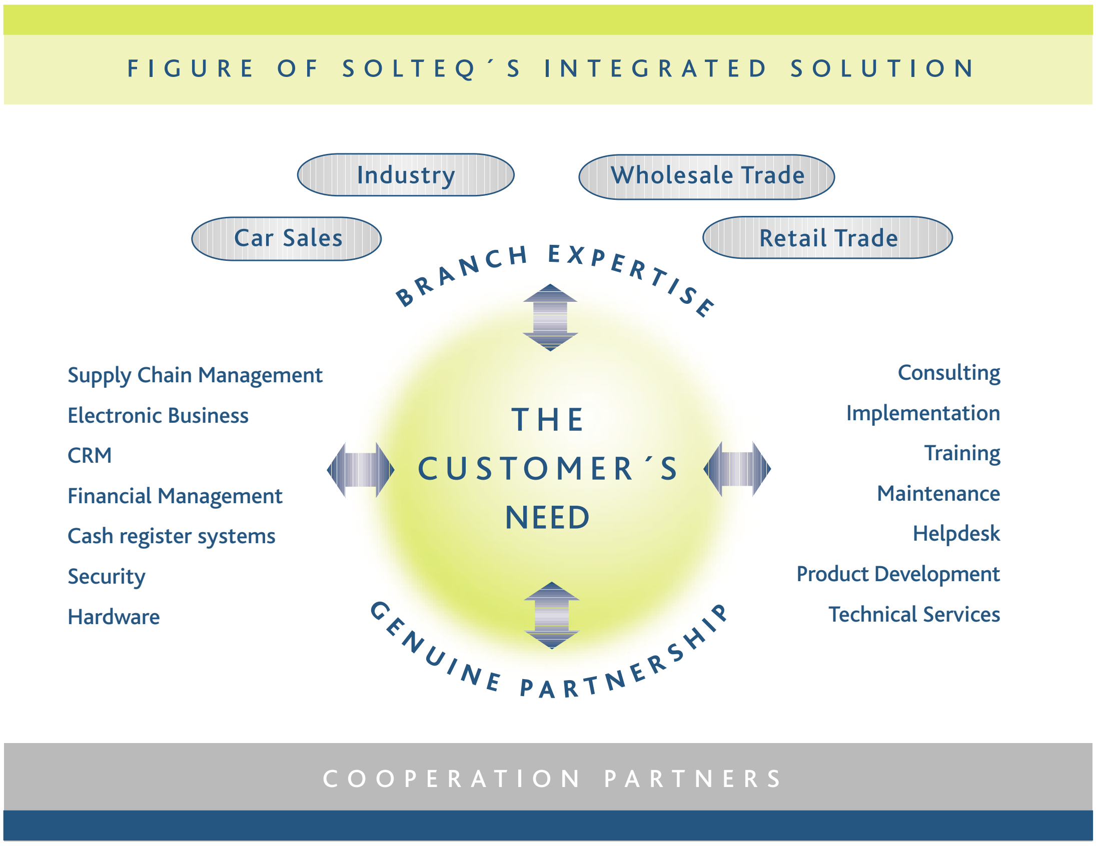
Solteq Plc develops and supplies strategic business information systems. Our strengths are the solid experience of 20 years as well as extensive familiarity and understanding of the business activities of our customers. With our Genuine Partner idea we are part of the development of the entire business activity of our customers.

Branch Expertise

The solutions of Solteq have been developed especially for the needs of Retail and Wholesale trade, Car sales and Industry. We have a long hands-on experience in the business operations of the customers in these branches. All our solutions have been developed to meet the needs of our customers and the special features of the branches. Our extensive list of references speaks for our strong expertise. Customer satisfaction is our most important goal.

The Entire Value Chain of the Enterprise Resource Planning

Solteq's goal is to develop its customers' business activities as a continuous process. Our integrated solution includes the branch-specific solution, tools for electronic business activity, consultation and implementation services, hardware and technical services as well as continuous helpdesk and development services. Our own product supply is complemented with the systems, software and hardware of well-known domestic and international partners and we are experts in installations and implementations of these products. Examples of our partners are IBM, SAP, Oracle, Microsoft and Opus Capita.



Strategic Objectives and Operational Principles

The goal of Solteq is to strengthen its market position in the selected areas of Wholesale trade and Industry. The Retail trade and Car sales units aim to boost their position as market leaders. The goal of the entire company is to grow faster than the companies in the software market in Finland on average.

Our international business activity is licence selling through our partners and implementation of our branch solutions as well as support to the foreign units of our customers or their partners. Our competitiveness in the export markets is based on the branch expertise of our local partners combined with our own product and technology expertise. In Poland our associated company markets Solteq Oscar, the Industry branch solution. In Poland we also carry out a large customer project.

The central goal of Solteq's operation is high customer satisfaction in which we invest strongly. By focusing our resources on the selected branches we are able to serve our customers more effectively and competently than before. Also the satisfaction of our own personnel and profitability of our business activity are important principles guiding our operation.

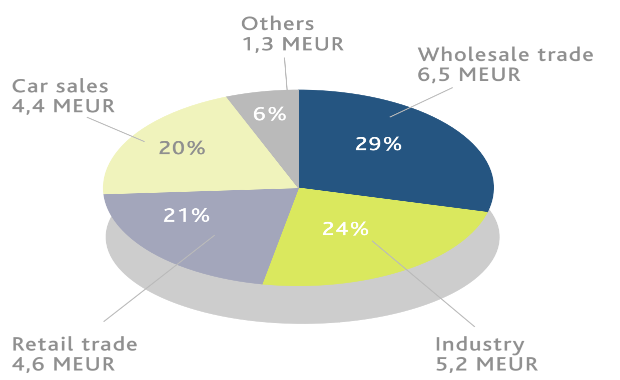
Year 2001 in Brief

- The turnover of the entire group amounted to EUR 22,0 million. Growth in comparison to 2000 was 8,2 %. The operating loss amounted to EUR 0,5 million.

- The process of focusing Solteq's operations to the selected branches was continued. In December 2001 the company sold to Novo Group Plc the software business activities in general systems of small and medium-sized companies as well as in human resources and financial management. 28 employees transferred to Novo Group with the sold business activities. The offices in Raahe and Kerava were closed.

- M.Sc. (econ.) Jorma Hänninen became the Managing Director of Solteq on August 13th, 2001. The former Managing Director and establisher of the company Ali U. Saadetdin became the Chairman of the Board of Directors.

Division of turnover by units in 2001



Review by the Managing Director

The past year was a time of construction for Solteq. Our acquisitions and the started internationalisation project have changed our business activity radically during the previous years. The number of our employees increased fast as well as the number of our customers and offices. The integration of the new activities to the basic business activities of Solteq required more work than we estimated. This is why our time and energy were completely directed to the development of the existing operations.

Last year we were far from reaching the planned result. The turnover did increase about eight per cent, though, but the operating income remained negative. The profitable result of the latter half-year showed that the direction of our actions to develop the business activity has been right and gave us hope for a better future.

Our focal goals have been, and also will be in 2002, ensuring our customer satisfaction and significant improvement of our operating income. In order to succeed in this we'll have to be able to benefit our customers here and now, regardless of the economic cycles and the prevailing global situation. Beside the benefits of the day, more and more customers value the secure continuity entailed by long-span development and intensive and confidential co-operation.

We here in Solteq humbly understand that our resources are limited. That is why we believe to reach the objectives mentioned above by specialising; we don't see ourselves as experts on every branch. We have selected the branches of trade and industry and we want to be the best partner to our customers in developing and supporting their enterprise resource planning systems. According to the strategies and goals of our customers, utilising the products of the customers and our own products as well as the applications of the customers we are developing a complex of services that cost-efficiently support the business activities of our customers.

As a part of our specialisation and sharpening of our operation, we gave up the business activities outside our primary expertise. The business activities outside the selected branches are extensive and in good enough order to find them a new owner, so we didn't have to shut them down. In that sense the deal concluded with Novo for selling the general systems of small- and middle-sized sector and human resources and financial management was significant. We also reduced the number of our offices, which clarifies our operation and cuts unnecessary costs. Our subsidiary in the Baltic countries was closed. In Poland we will proceed with the internationalisation we have started. After getting experience in the requirements of international operation with the help of our ongoing projects we will start potential new international projects.

This year we'll also have to work very hard. We have succeeded in grouping our forces according to the above-mentioned requirements of the branch expertise. After cutting down our activities we have again started to seek for growth. The total turnover for 2002 might still be smaller than last year. Our central goal is to improve the result significantly and also to ensure our potential to grow in the future as well, which we believe to be considerable in the branches we have selected. Discussions and projects with several key customers back up our opinion of going to the right direction. Our professionally skilled employees are anxious to show what they can. The general economic situation is not necessarily the best, but we work with the most important business information systems of our customers, so our success depends first of all on our own skilfulness and diligence. After the turn of the millennium and the introduction of the Euro, many of our customers will again invest in the improvement of their systems.

I want to thank all our customers, partners and our own personnel for the past year. Let's all together work hard to make this year successful to all of us!

Jorma Hänninen
Managing Director

The Car Sales Business Unit 2001

The general discussion around the taxation of new and used cars was characteristic to the car sales business last year. This discussion as well as the general economic recession had an impact on the number of new cars sold. The number of new cars registered decreased by 16,8 per cent in comparison to the previous year. The number of cars registered in 2001 was altogether 18,7 per cent lower than in 2000.

The general economic situation reflected also to the operations of Solteq's Car Sales Business Unit. Especially the trade of hardware was not as active as expected. However, our market share did increase because of the implementations of the new ERP applications. Also the sales of services surpassed the expectations. The introduction of the Euro had a positive effect on the sale of services. The work connected with the Euro was mainly carried out in the turn of the year.

The development of our applications was continued. The new completed products were eServiceNet, the real time reservation system of service appointment through the Internet and the CD cash system. Service agreement processing and electronic invoicing were implemented as extensions to the existing systems. A user interface based on browser was developed to the ERP system and the voucher printing system based on laser was updated. We also invested in the development of multi-lingual versions. The workstation system of service was developed intensively. The system for customer relations and car sales was integrated to the systems of our customers´ interest groups.

Our co-operation with IBM in ASP and hosting services was extended. In our internal development we concentrated especially on customer orientation, application integration, hardware technical services and version control.

Our systems were implemented to the following new customers: Satakunnan OK-Auto Plc, Ess-Autotalo Plc, Keulan Auto Plc, Auto-Iiro Plc, Lappeenrannan Autoyhtymä Plc and Savon Autoyhtymä Plc.

Significant new implementations of our applications were made by the following customers: Volvo/Renault –group, VW-Audi-group, Stockmann Plc, Auto-Putkola Plc, Auto-Ami Plc, Iisalmen Urheiluliike Plc, Toyota Autotalot Plc, Autokeskus Plc, Pörhön Autoliike Plc, Automarkku Plc, Varsinais-Suomen Auto-Center Plc and Oulun Autohallinto Plc.

The future of the Car Sales Business unit looks positive. When the regulations connected with the selling of cars and services are revoked or deregulated, the ERP system of Solteq's Car Sales Business unit will have even better chances to succeed in the hard competition. The strength of our system is that it also serves such car dealers that sell cars from more than one manufacturer and have several outlets. In 2002 we will go on with our intensive product development and our goal is to ensure the modernity and competitiveness of our products. We want to guarantee to our customers the best products in the market and even better service than before.

Lauri Kataja
Division Director

The Car Sales Business Unit in 2001

- Turnover 4,4 MEUR
- Number of employees approximately 34

The Industry Business Unit 2001

The slow economic development in the United States reflected also to the economic growth in Europe. The unstable economic situation decreased the willingness of export-led customers to invest. However, our customers were successful in the tightening competition as the demand remained stable in most of their main export countries.

Significant for our small and medium-sized customers in 2001 was the introduction of the Euro. This was a great effort for our customers and it postponed several other development projects into the future.

In the Industry Business Unit of Solteq the investment in development of our own processes during the past years along with the constant, customer-oriented development of Solteq Oscar products increased our customer satisfaction.

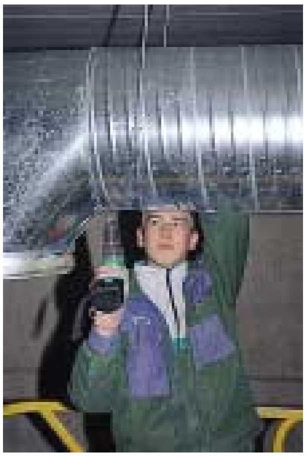
In the SAP business activity we invested in electronic commerce and in increasing our expertise in process type manufacturing operations. Our most significant mySAP.com projects were the implementation of the On-Line Store at Inion Plc among the first ones in Finland, the implementation of the second phase at Tekmanni Plc as well as the important extensions of partnership with companies like Katsa Plc, Woikoski Plc and UPM-Kymmene Plc.

Other significant customer projects included the system development plans of Finnforest Plc, Raisio Yhtymä Plc and Schauman Wood Plc. In 2001 version changes, the introduction of the Euro and system extensions were relevant for many of our customers. Among these customers were Air Wise Plc, Electro-Hill Plc, Hellmanin Konepaja Plc, Laukaan Hitsaustyö Plc, Mailer Plc, Mitron Plc, Plc Paperex Corporation Finland Ltd, Puhos Board Plc, Sten & Co Plc, Santen Plc, Visuvesi Plc and Ykköslogistiikka Plc.

The organisation of the international Oscar business operation was revised at the end of the year. The good experience we have gained from reseller-led operation based on thorough local knowledge in Poland has encouraged us to move over to reseller-led operation also in the Baltic countries.

Oscar Classic business activities were sold to Novo Group Plc in December. This will help us in focusing our operations which means better defined service processes to our customers.

Our goal in 2002 is to reach a better growth rate than the average in the Finnish IT systems market. Product innovations, more efficient operation processes along with our motivated and experienced personnel are a good basis for our success. We will invest even more in serving our customers and in deepening our customer relationships in order to develop our customer satisfaction in all our product areas. Our basic values, development and nurturing of branch expertise as well as closer co-operation with our partners will guide our operation also in the future.



Risto Metsälä
Division Director

The Industry Business Unit in 2001

- Turnover 5,2 MEUR
- Number of employees approximately 35

The Wholesale Trade Business Unit 2001

For the wholesale trade the year 2001 was the eighth successive year of growth in Finland. In spite of the general instability of the economy, the sales of the wholesale trade in Finland increased by 2,8 percent in comparison to the previous year (outside of the car sales) according to the Federation of Finnish Commerce and Trade. Inside the trade business the development varied greatly and in some sectors the growth decelerated towards the end of the year.

Characteristic for the operation of Solteq's Wholesale group in 2001 were extensive implementation projects, intensive development work of Solteq Merx ERP system and the introduction of the Euro for all of our customers.

TUKO Logistics Plc implemented the Solteq Merx system in the autumn of 2001. As the result of this extensive project TUKO is now using the largest Solteq Merx system calculated in the amount of transactions; they are processing over 100,000 delivery lines every day.

Aro-Yhtymä Plc implemented the Merx system in their after-sales service unit. We also concluded a partnership agreement with Töölön Matkatoimisto Plc. The agreement includes the comprehensive development and maintenance of the travel agency software the company is using. With Onninen Plc we continued the international projects including among other things implementations in Sweden and Poland.

The development of Solteq Merx system advanced to its eighth version. Our product development was focused on further development of the web-based system for electronic commerce eSales, utilisation of EDI-messages and renewal of the application used for statistical compilation. Because of these properties Merx meets even better the needs of today's fast trade and follow-up.

We continued the integration of the products of our partners into our own products. The E3 Trim supply chain management system was implemented for example by Onninen Plc and SKS-Tekniikka Plc. Also products of MultiSupport Finland Plc (such as BlueFax, Multiarchive) were integrated into the systems of several customers. The integration of these products into the products of Solteq improves significantly the benefits of the software.

The systems of our customers were converted to the Euro stage by stage so that over a half of the customers of our branch had converted to the Euro already before the turn of the year. The introduction of the Euro and the work connected with it went well without any interruptions in use.

According to the study published by the Federation of Finnish Commerce and Trade, year 2002 seems positive for the wholesale trade business. The sales of the entire wholesale trade business are expected to grow about 3 per cent (outside of the car sales business). Characteristic for the operation of the Wholesale Trade Business Unit is intensive effort to develop the business activity of our customers with the aggregate supply of Solteq in the spirit of Genuine Partner –co-operation.

Juha Laine
Division Director

The Wholesale Trade Business Unit in 2001

- Turnover 6,5 MEUR
- Number of employees approximately 48


REKA

The Retail Trade Business Unit 2001

For the retail trade in Finland the year 2001 was the eighth successive year of growth. The sales increased by 5,4 per cent in comparison to the previous year (out of the car sales). Firmly managed chain stores captured market shares from specialised shops that are not part of any chain.

In Solteq the Retail Trade Business Unit was integrated to operate according to the pattern of the company. The business activities of the companies acquired the year before, Kuopion Neuvos-Ohjelmistot Plc and Mercantia Yhtiöt (Ilefon Plc and Mercantia Plc), were combined juridically and operationally as for business unit of retail trade.

In 2001 Solteq's leading position as a supplier of cash systems for special goods trade strengthened. We concluded about 50 new customer relationships. In the end of 2001 we had about 700 customers. Our customers in special goods trade have altogether about 2000 outlets with ca. 4000 workstations. Examples of our chain supplies are the 17 outlets of Pierre Cavallo and the 7 outlets of PTA Group as well as the implementations of o.i.s. chain stores.

The Solteq Tekso system fully based on Windows was completed last year. The system was supplied to our Tekso customers in connection with the Euro conversions. The development of Solteq TN10 product will be continued together with our customers as planned. The implementation of the Windows-based version of the program will start in stages at the end of 2002.

We have made a pilot agreement on the Solteq Retail product development project directed to the international market with Tapanilan Rauta and K-Raua that is a part of the same group operating in Estonia. According to the agreement the system will be implemented in the outlets of Helsinki and Tallinn and in the future outlets of Pärnu, Narva and Tarto.

In 2002 the Retail Trade Business Unit of Solteq will stabilise its operations. Such large projects as the turn of the millennium and the introduction of the Euro are not in sight. We believe that the retail trade in Finland will go on increasing, even though the building of new, large shopping centres will slow down. In the tightening competition the companies of retail trade will need versatile cash systems that also have to be fully utilised. The strength of Solteq as a software supplier of retail trade is the branch expertise of trade along with the very extensive system supply including a many-sided ERP system, real-time e-commerce, chain support and cash systems for outlets.

Ile Niininen
Division Director

Retail Trade Business Unit in 2001

- Turnover 4,6 MEUR
- Number of employees approximately 35

Solteq Plc

Financial Statements 2001

Board of Directors´ Report

Business development

Turnover and business development:

The turnover and the result of Solteq Group ("the Company") did not develop as planned. During the first half of the year the Company's turnover increased less than expected and the result was clearly unprofitable. During the latter half of the year the sales picked up and the result turned profitable. However, the sales objectives set for the whole year were not reached. The operative merging of the acquired businesses has taken longer than anticipated and, in addition, the result of the international operations did not meet the expectations. Therefore, the result for the financial period was unprofitable.

Turnover for the period can be divided as follows:

	Proportion 2001	Proportion 2000
Services	47 %	44 %
Licenses	29 %	34 %
Hardware	24 %	22 %

Internationalisation:

The business operations of the Estonian subsidiary were unprofitable during the financial year. Thus, the General Meeting of Shareholders in January 2002 has decided to close down the company's operations. Reorganisation costs due to ending the operations have been taken into account in the Group's financial statements 31.12.2001.

The Group's Polish associated company Koma S.A., of which the Group owns 25 %, began marketing Solteq Oscar product in Poland during the financial period. The preliminary profit and loss account of Koma S.A. shows a turnover of EUR 23 million and an operating result of EUR 0,9 million for the year 2001.

The most significant developments during and after the financial period:

Novo Group Plc purchased Solteq Group's software business activities in general systems of small and medium-sized enterprises as well as in human resources and financial management. The sale was made public on 19.12.2001. The business operations were transferred to Novo Group Plc from the beginning of the financial period 2002.

The sales price of businesses sold to Novo Group Plc by the end of the financial period is included in other operating income. Write-down of related goodwill has been presented as depreciation in the profit and loss account.

Adjustments that occurred in the financial period to Health and Social Welfare business sector, sold on 31 December 2000, have been presented as extraordinary expenses.

There are no significant post balance sheet date events.

Prospects for the financial period 2002

It is unlikely that the organic growth of the present business units would replace the turnover of the operations sold to Novo Group Plc at the end of the previous year, which totalled EUR 3,0 million (13,6% of the Group's turnover). Thus, the turnover for the present year will probably be less than the turnover for the previous year.

The result for the financial year 2002 is estimated to be profitable.

Research and development operations

The Company's research and development expenses, consisting primarily of personnel expenses, accounted for ca. 10 % of the turnover for the financial period 2001 (9,5 % in 2000).

In the financial statements, research and development costs have been expensed annually and not capitalised for any part in the balance sheet of the Company.

Treasury shares

The Board of Directors decided on 14 August 2000 to acquire max. 100.000 shares of their own company in public trade in the Stock Exchange of Helsinki. The shares accounted for about 1,0% of the whole share capital at the time (9.846.240 shares). The shares were acquired by the authorisation of the annual shareholders' meeting of 31 March 2000.

The shares were acquired within the time between the 6th of September and the 13th of November 2000. The Company purchased about 80.000 shares with the average price of EUR 2,2.

At the end of the financial period, the Company owns 80.000 of its own shares. The shares have been registered as assets to the balance sheet of the Group. The amount of the shares owned by the Company is about 0,7% of the share capital on the day of the financial statement.

Share capital, shares during the financial period and authorisations of the Board of Directors

During the financial period, the Board of Directors of Solteq Plc. decided to increase the share capital of the company with EUR 17,414,76 to EUR 906,392,23, which accounts for 207.087 shares. After the increase, the share capital is represented by 10.778.327 shares. The share capital increase was based on a share exchange with Polish Koma S.A. After the exchange Solteq Plc. owns 25 % of Koma S.A.

Until 28.3.2002, the Board of Directors is authorised to decide on a subscription issue or granting option rights, the maximum increase being EUR 181,278, without applying the shareholders' pre-emptive right to subscribe for shares.

In addition, until 28.3.2002, the Board of Directors has an authorisation to acquire and sell a maximum of 538.916 of the company's own shares without applying the shareholders' pre-emptive right to subscribe for shares.

Management

Members of the Board in the parent company are Seppo Aalto, Hannu Partala, Ali U. Saadetdin and Roger Westerberg. Seppo Aalto was the Chairman of the Board until 13 August. Since then the Chairman of the Board has been the former Managing Director Ali U. Saadetdin.

Jorma Hänninen became the Managing Director on 13 August 2001.

During the year KPMG Wideri Oy Ab acted as sole auditor to the company and the responsible auditor is Frans Kärki, Authorised Public Accountant.

SOLTEQ PLC
Board of Directors

Profit and Loss Account

PROFIT AND LOSS ACCOUNT	Group 1.1. – 31.12.2001	Group 1.1. – 31.12.2000	Company 1.1. – 31.12.2001	Company 1.1. – 31.12.2000
Turnover	22 001 557,50	20 341 010,52	18 044 397,93	18 420 343,72
Other operating income	1 557 577,69	169 064,73	1 022 171,00	167 246,69
Materials and services				
Raw materials and consumables				
Purchases during the financial period	-4 996 471,41	-4 132 556,25	-4 831 340,81	-3 845 877,08
External services	-628 481,12	-398 557,42	-441 667,12	-292 469,47
Staff expenses				
Wages and salaries	-9 189 475,62	-8 834 533,36	-8 134 049,50	-8 224 732,03
Social security expenses				
Pension expenses	-1 630 116,96	-1 495 196,87	-1 448 028,33	-1 406 761,57
Other social security expenses	-1 028 602,21	-1 024 864,86	-901 623,23	-1 001 146,21
Result of associated company	151 832,20	-19 437,73	0,00	0,00
Depreciation				
Depreciation according to plan	-1 025 892,88	-885 352,32	-1 014 748,35	-745 223,35
Value adjustments of non-current assets	-526 031,34	0,00	-526 031,34	0,00
Other operating expenses	-5 221 703,32	-4 526 826,65	-4 248 443,57	-3 837 846,23
Operating profit (loss)	-535 807,47	-807 250,21	-2 479 363,32	-766 465,52
Financial income and expenses				
Other interest and financial income	74 985,13	498 627,40	74 124,83	495 734,88
Interest and other financial expenses	-152 237,08	-185 055,35	-282 264,97	-143 787,73
Profit/loss before extraordinary items	-613 059,42	-493 678,15	-2 623 201,52	-414 518,37
Extraordinary items				
Extraordinary income	0,00	1 223 567,17	2 051 304,57	1 215 157,77
Extraordinary expenses	-328 544,01	-437 434,42	-328 544,01	-492 508,78
Profit (loss) before appropriations and expenses	-941 603,43	292 454,59	-900 440,96	308 130,62
Appropriations				
Change in depreciation difference	0,00	0,00	46 089,16	60 728,46
Income taxes	272 354,08	-123 720,31	247 367,94	-123 755,37
Profit (loss) for the financial year	-669 249,35	168 734,28	-606 983,86	245 103,71

Group Balance Sheet

	Group		Company	
	31.12.2001	**31.12.2000**	**31.12.2001**	**31.12.2000**
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Intangible rights	1 158 296,88	1 309 496,01	1 330 865,42	1 292 651,33
Goodwill	324 047,74	719 064,91	239 846,15	587 952,03
Group goodwill	627 232,65	741 356,79	0,00	0,00
Other long-term expences	48 107,59	52 539,52	280 593,63	45 409,68
Tangible assets				
Machinery and equipment	1 041 329,72	1 493 647,46	966 816,08	1 291 296,81
Other tangible assets	15 084,78	13 823,37	14 580,22	12 561,96
Investments				
Holdings in associated companies	2 914 496,43	2 864 660,18	3 197 713,90	3 197 713,90
Other shares and holdings	1 681 978,10	1 715 938,77	870 446,53	624 072,40
Total non-current assets	7 810 573,89	8 910 527,01	7 308 464,32	8 209 848,70
CURRENT ASSETS				
Receivables				
Trade receivables	4 862 255,84	5 957 635,71	3 789 801,29	5 113 962,59
Loan receivables	17 632,81	77 450,54	31 234,96	74 843,63
Other receivables	52 094,86	56 907,77	2 023 286,02	343 635,67
Accrued income	1 277 568,57	773 781,48	783 229,62	353 696,17
Securities				
Treasury shares	55 200,00	88 000,00	55 200,00	88 000,00
Other securities	1 641 117,39	1 870 896,06	1 111 565,52	1 870 896,06
Cash in hand and at banks	1 584 245,86	1 777 226,20	503 027,62	1 776 047,90
Total current assets	9 490 115,33	10 601 897,76	8 297 345,03	9 621 082,02
TOTAL ASSETS	17 300 689,22	19 512 424,76	15 605 809,35	17 830 930,72

Group Balance Sheet

GROUP BALANCE SHEET	Group 31.12.2001	Group 31.12.2000	Company 31.12.2001	Company 31.12.2000
EQUITY AND LIABILITIES				
SHAREHOLDER´S EQUITY				
Share capital	906 392,23	888 977,47	906 392,23	888 977,47
Share issue	0,00	289 921,80	0,00	289 921,80
Treasury shares	55 200,00	88 000,00	55 200,00	88 000,00
Share premium account	9 577 070,88	9 342 257,75	9 509 795,61	9 237 288,57
Retained earnings	1 642 037,13	1 654 363,13	1 597 217,89	1 532 047,12
Profit/loss for the period	-669 249,35	168 734,28	-606 983,86	245 103,71
Total shareholder´s equity	11 511 450,89	12 432 254,43	11 461 621,87	12 281 338,67
LIABILITIES				
Long-term				
Loans from financial institutions	820 259,11	1 098 942,23	107 983,24	33 637,59
Pension loans	0,00	11 405,61	0,00	0,00
Other long-term liabilities	134 105,93	215 339,82	48 224,17	115 010,22
Short-term				
Loans from financial institutions	246 121,48	159 210,90	63 637,58	74 507,25
Pension loans	0,00	1 214,92	0,00	0,00
Trade payables	1 092 907,64	1 604 282,92	1 040 049,28	1 499 221,28
Other short-term liabilities	52 015,36	251 345,67	77 194,03	292 028,23
Accruals and deferred income	3 443 828,81	3 738 428,27	2 704 081,33	3 386 080,47
Total liabilities	5 789 238,33	7 080 170,34	4 041 169,63	5 400 485,03
TOTAL EQUITY AND LIABILITIES	17 300 689,22	19 512 424,76	15 605 809,35	17 830 930,72

Cash Flow Statement (1000 EUR)

	Group		Company	
	2001	2000	2001	2000
OPERATING ACTIVITIES				
Operating loss	-536	-788	-2 479	-766
Depreciation	1552	885	1 541	745
Change in net working capital	-410	-115	-127	506
Total financial items	-77	294	-144	352
Extraordinary items	0	786	0	723
Taxes	0	-124	0	-124
NET CASH FLOW FROM OPERATING ACTIVITIES	528	939	-1 210	1436
INVESTMENTS				
Acquisition of assets 1)	-746	-5 155	-874	-4 353
Sales of assets	261	213	235	104
INVESTMENTS CASH FLOW TOTAL	-486	-4 943	-639	-4 249
CASH FLOW BEFORE FINANCING ACTIVITIES	42	-4 004	-1 849	-2 813
FINANCING ACTIVITIES				
Payment of long-term liabilities	-286	-338	-204	-471
Borrowings	0	858	201	-114
Dividends paid	-180	-300	-180	-300
TOTAL FINANCING ACTIVITIES	-466	170	-183	-866
TOTAL NET CASH FLOW	-423	-3 834	-2 032	-3 699
CHANGE IN CASH AND CASH EQUIVALENTS 2)	-423	-3 834	-2 032	-3 699
Cash and cash equivalents 1.1.	3 648	7 481	3 647	7 346
Cash and cash equivalents 31.12.	3 225	3 648	1 615	3 647

1) Acquisition of assets in 2000 partly paid with directed resubscription.
2) The liquid assets include cash, banks, investments in funds and short-term shareholdings.

Accounting Principles

Consolidated Financial Statements

All the companies in the Group are included in the consolidated financial statements outside of Mercantia Plc (no business operating activities) and the real estate company Koy Sammonkatu 14. The acquired companies are consolidated from their month of acquisition.

Intra-group transactions, receivables, liabilities and the internal distribution of profit is eliminated. Items due to mergers shown in the parent company's result and balance sheet have been eliminated from the consolidated finacial statements. Minority interests are presented separately in the profit and loss account and in the balance sheet.

The shares acquired in 1999 with the exchange of shares have been assessed according to the market value (accounted market value was 5,10 EUR) of the shares assigned for consideration.

In 2000 the valuation principle has been changed to be equivalent to the principle accordant with the statement 1591 (25 October 1999) of the Finnish Accounting Standards Board. As for acquisition cost and increase of the Group's equity of the shares of the companies acquired this way has been created the estimated value equivalent to the book value of the acquired companies at the time of the acquisition, increased with capital transfer and indirect costs.

The Polish associated company Koma S.A. has been consolidated according to the accounting principles used in Poland. Valuation of profit and balance sheet to equate to the Finnish accounting practise does not have any notable effect to the result of the Group or to the shareholders' equity.

Comparability of the result

The income due to the selling of the Social and Welfare Business Unit in 2000 has been presented as extraordinary item. The extraordinary items also include the direct expenses due to the changing of the name of the company.

In 1999 the costs due to the listing that amount to EUR 413,000 were directly booked to decrease the equity.

Fixed assets and depreciation

Fixed assets are capitalised to their direct acquisition cost excluding the planned depreciation. Fixed assets subject to wear are depreciated according to plan based on the economic life span of the asset.

The depreciation periods according to plan are:

Intangible rights	5 - 10 years
Goodwill	10 years
Goodwill on consolidation	10 years
Other long-term expenditure	5 - 10 years
Machinery and equipment	3 - 5 years

Consolidated goodwill and goodwill are created from business acquisitions with expected profit-generating time of at least 10 years.

Marketable securities

Marketable securities are carried at their acquisition or the lower market value on the balance sheet date.

NOTES TO PROFIT AND LOSS ACCOUNT

1 Turnover by business unit

	Turnover 2001 (MEUR)	Change vs. 2000
Car Sales	4,4	-6,4 %
Industry	5,2	-16,1 %
Wholesale Trade	6,5	+14,0 %
Retail Trade	4,6	+253,8 %
Others	1,3	-45,8%

The turnover of the Industry includes in 2000 the licence agreement for EUR 1,7 million that is a part of the business acquisition of Koma S.A. that was a one-time licence income.

The turnover of the Retail Trade Business Unit amounted to EUR 1,3 million in 2000. The Retail Trade Business Unit includes the acquired companies Kuopion Neuvos-Ohjelmistot Oy and Mercantia-Yhtiöt that are consolidated from their month of acquisition.

2 Other operating income

	Group		Company	
	2001	2000	2001	2000
Selling of business activities	1 513 691,34	0,00	984 139,47	0,00
Gain on disposals	38 694,63	96 319,00	38 031,53	96 319,00
Gain on sales of securities	210,91	51 181,69	0,00	51 181,69
Others	4 980,81	21 564,04	0,00	19 746,00
Total	1 557 577,69	169 064,73	1 022 171,00	167 246,69

3 Management, staff and staff expenses

The average number of personnel in the Group and the Company was 238 (245) during the financial year.
Part of the Management may retire at the age of 55 - 58, if they so desire.
The Company has not granted loans to persons belonging to the inner circle of the Company.

4 Financial income and expenses from the Group undertakings

During the financial year and the year of comparison there were no financial income and expenses from the Group undertakings.

5 Extraordinary income and expenses of the Group

The extraordinary expenses of the Group in 2001 (328,544,01 MEUR) consist entirely of the sales adjustment items from the assignment of the business activities during the previous financial year.

Extraordinary items of the Company in 2001

Group contributions	+1 969 315,05
Sales adjustment items from assignments	- 328 544,01
Result from advance dissolution of subsidiary	+ 81 989,52
Total	+ 1 722 760,56

Extraordinary items of the Group and the Company in 2000

Selling of Social and Welfare Business Unit to TietoEnator	+ 1 223 567,17
Costs due to changing of company name	-287 571,35
Costs due to acquisitions and increasing of share capital	- 137 248,98
Costs due to option programme	- 12 614,09
Total	+ 786 132,75

6 Income taxes

	Group		Company	
	2001	**2000**	**2001**	**2000**
Income taxes	-1 536,72	-190 631,58	-394,06	-123 755,37
Change of deferred income tax assets	273 890,80	66 911,27	247 367,94	0,00
Total	272 354,08	-123 720,31	247 367,94	123 755,37

NOTES TO THE BALANCE SHEET

7 Fixed assets

Intangible rights	Group		Company	
	2001	**2000**	**2001**	**2000**
Residual value 1 January	1 309 496,01	1 268 888,23	1 292 651,33	1 266 593,65
Decreases	13 031,01	0,00	13 031,01	0,00
Increases	303 355,22	223 786,67	610 234,46	205 948,50
Depreciation according to plan	199 332,73	183 178,88	316 798,75	179 890,81
Write-down	242 190,61	0,00	242 190,61	0,00
Residual value 31 December	1 158 296,88	1 309 496,01	1 330 865,42	1 292 651,33

Goodwill	Group		Company	
	2001	**2000**	**2001**	**2000**
Residual value 1 January	719 064,91	466 054,16	587 952,03	466 054,16
Decreases	50 221,23	0,00	0,00	0,00
Increases	0,00	354 352,07	0,00	176 597,32
Depreciation according to plan	60 955,21	101 341,33	64 265,15	59 240,53
Write-down	283 840,73	0,00	283 840,73	0,00
Residual value 31 December	324 047,74	719 064,91	239 846,15	587 952,03

Group goodwill

	2001	2000
Residual value 1 January	741 356,79	616 196,41
Decreases	10 364,68	0,00
Increases	0,00	193 703,33
Depreciation according to plan	103 759,46	68 542,96
Residual value 31 December	627 232,65	741 356,79

Group assets due to the associated companies that haven't been depreciated are 1 604 965,53 EUR.

Other long-term expenses	Group		Company	
	2001	2000	2001	2000
Residual value 1 January	52 539,52	24 040,88	45 409,68	24 040,88
Increases	126 208,54	37 921,77	364 366,94	27 985,38
Depreciation according to plan	130 640,47	9 423,13	129 182,99	6 616,58
Residual value 31 December	48 107,59	52 539,52	280 593,63	45 409,68

Machinery and equipment	Group		Company	
	2001	2000	2001	2000
Residual value 1 January	1 493 647,46	1 245 390,39	1 291 296,81	1 176 749,99
Decreases	379 209,59	116 413,20	276 697,54	104 079,09
Increases	458 096,86	887 536,28	456 718,27	718 101,33
Depreciation according to plan	531 205,01	522 866,02	504 501,46	499 475,43
Residual value 31 December	1 041 329,72	1 493 647,46	966 816,08	1 291 296,81

Other tangible assets	Group		Company	
	2001	2000	2001	2000
Residual value 1 January	13 823,37	7 516,32	12 561,96	7 516,32
Decreases	756,85	0,00	0,00	0,00
Increases	2 018,26	6 307,05	2 018,26	5 045,64
Residual value 31 December	15 084,78	13 823,37	14 580,22	12 561,96

8 Investments

Group undertakings	Group's share of ownership %	Company's share of ownership %
Solteq Retail , Tampere	100,0	30,0
Kuopion Neuvos-Ohjelmistot, Kuopio	100,0	100,0
Ollidata, Tampere	100,0	100,0
Hawkware, Helsinki	100,0	100,0
ATK-Integrointi, Väinö Tissari, Tampere	100,0	100,0
Solteq Baltics OÜ, Viro	80,0	80,0

Associated companies

	Group's share of ownership %	Company's share of ownership %
Koma S.A., Poland	25,0	25,0

Other shares and participations of the Group	Number of shares	Book value
Kiinteistö Kuopion Sammonkatu 14	772	764 221,05
Kiinteistö Nukanleikkaaja	496	414 827,11
Kiinteistö Haukilahden Kauppakeskus	539	256 318,40
As Ylläsnäkyy	150	144 983,88
Mercantia	150	37 644,88
Klingendahlin Pysäköinti	35	33 321,39
Elisa Communications Plc	2636	13 767,02
Other shares		16 894,37
Total		1 681 987,10

Group undertakings Mercantia and Koy Sammonkatu 14 have not been consolidated to the Group balance sheet. The companies haven't had any business operating activity and therefore they don't have any significance for the result or the non-restricted equity of Solteq Group.

9 Liabilities and receivables from Group undertakings

	Company	
	2001	2000
Short-term liabilities	23 010,78	201 825,51
Short-term receivables	1 989 600,84	0,00

10 Marketable securities

	Group		Company	
	2001	2000	2001	2000
Investment funds	328,67	1 818 757,80	328,67	1 818757,80
Shares of Novo Group Plc	1 588 650,46	0,00	1 059 098,59	0,00
Others	107 338,26	140 138,26	107 338,26	140 138,26
Total	1 696 317,39	1 958 896,06	1 166 765,52	1 958 896,06

11 Shareholders' equity

	Group		Company	
	2001	2000	2001	2000
Share capital 1 January	888 977,47	691 143,06	888 977,47	691 143,06
Share issues	17 414,76	197 834,41	17 414,76	197 834,41
Share capital 31 December	906 392,23	888 977,47	906 392,23	888 977,47
Premium funds 1 January	9 342 257,75	7 954 774,94	9 237 288,57	7 954 774,94
Share issues	272 507,04	1 282 513,63	272 507,04	1 282 513,63
Currency exchange difference	-37 693,91	104 969,18	0,00	0,00
Premium funds 31 December	9 577 070,88	9 342 257,75	9 509 795,61	9 237 288,57
Share issue 31 December	0,00	289 921,80	0,00	289 921,80

	Group		Company	
	2001	**2000**	**2001**	**2000**
Non-restricted equity 1 January	1 823 097,41	2 132 524,49	1 777 150,83	2 010 173,69
Distribution of dividend	-179 932,94	-300 433,99	-179 932,94	-300 433,99
Own shares	0,00	-177 692,58	0,00	-177 692,58
Currency exchange difference	-1 127,34	34,79	0,00	0,00
Profit for the financial year	-669 249,35	168 734,28	-606 983,86	245 103,71
Non-restricted equity 31 December	972 787,78	1 823 097,41	990 234,03	1 777 150,83

Non-distributable accumulated depreciation of the Group's non-restricted equity	103 017,85
The Group's distributable funds	869 769,93
The Company's distributable funds	990 234,03

The Company's share capital is divided by types of shares as follows

	2001		2000	
	Number of shares	EUR	Number of shares	EUR
Series of shares	10 778 327	906 392,23	10 571 240	888 977,47

12 Liabilities to fall due after more than 5 years

	Group		Company	
	2001	**2000**	**2001**	**2000**
Loans from credit institutions	147 164,44	0,00	0,00	0,00
Pension loans	0,00	8 779,96	0,00	0,00

13 Option programs

Option programme I

The shareholders' meeting held on 26 August 1999, decided to grant 550.000 rights of option: each right of option entitles the holder to subscribe one share of Solteq Plc. In accordance with the decision, the Board of Directors, other management and employees can be offered rights of option for subscription in order to enhance their motivation and commitment. The subscription for shares will begin as follows:

- Option certificate A 1 September 2001
- Option certificate B 1 September 2002
- Option certificate C 1 September 2003
- Option certificate D 1 September 2004

Option programme II

The shareholders' meeting held on 15 November 2000, decided to grant 1.000.000 rights of option: each right of option entitles the holder to subscribe one share of Solteq Plc. In accordance with the decision, the Board of Directors, other management and employees can be offered rights of option for subscription in order to enhance their motivation and commitment. The subscription of shares begins after one year from the starting year set for the subscription of shares.

Altogether 1.550.000 shares of Solteq Plc can be subscribed within the option programmes I and II.

14 Given pledges and contingent liabilities

	Group		Company	
	2001	2000	2001	2000
Shares pledged for own liabilities	1 169 004,99	1 583 832,09	404 783,94	563 292,65
Business mortgagess	2 535 073,91	2 035 073,91	1 677 315,49	1 177 315,49
in the company's possession	500 000,00	840 939,63	500 000,00	840 939,63
Mortgaged deposit insurances	52 138,26	52 138,26	52 138,26	52 138,26
Leasing and rent liabilities	723 208,08	680 670,73	555 020,16	509 431,76

The business mortgages are equivalent to EUR 891,000. The business mortgages given as pledges by the Company are equivalent to EUR 336,000 of accounts payable. The shares pledged by the Group are equivalent to liabilites for EUR 836,000. EUR 664,000 of the amount is secured with business mortgages. The shares given as pledge by the Company are equivalent to liabilities for EUR 172,000.

CALCULATION OF KEY RATIOS

Return on equity % (ROE):

$$\frac{\text{Profit or loss before extraordinary items and taxes x 100}}{\text{Share capital + minority interests}}$$

Return on investment % (ROI):

$$\frac{\text{Profit before extraordinary items + interest charges and other financial expenses x 100}}{\text{Balance sheet total – non-interest bearing loans}}$$

Equity ratio, %:

$$\frac{\text{Share capital – minority interests x 100}}{\text{Balance sheet total – advances received}}$$

Gearing, %

$$\frac{\text{Interest-bearing loans – cash and bank equivalents}}{\text{Share capital – minority interests}}$$

Earnings per share (EPS):

$$\frac{\text{Profit before extraordinary items and taxes -/+ minority interests}}{\text{Average number of shares adjusted for share issue}}$$

Share capital per share:

$$\frac{\text{Share capital}}{\text{Number of shares on 31 December adjusted for share issue}}$$

Dividend per share:

$$\frac{\text{Dividend paid for the year}}{\text{Number of shares at dividend payment date}}$$

Payout ratio,%:

$$\frac{\text{Dividend per share x 100}}{\text{Earnings per share}}$$

Effective dividend yield, %:

$$\frac{\text{Dividend per share x 100}}{\text{Share price quoted on stock exchange on 31 December}}$$

Price/earnings ratio (P/E)

$$\frac{\text{Share price quoted on stock exchange on 31 December}}{\text{Earnings per share}}$$

Market value of share capital

Number of shares on 31 December x share price quoted on stock exchange on 31 December

KEY FIGURES ON FINANCIAL DEVELOPMENT IN 1997-2001

Key figures of the financial development of the Group (MEUR)	Financial year 1.1.–31.12. 2001	2000	1999	1998	1997
Net revenue	22,0	20,3	16,9	15,0	9,4
Change of net revenue	8,2	20,6 %	12,2 %	59,6 %	19,4 %
Operating profit	-0,5	-0,8	1,3	1,6	0,4
% net revenue	-2,4 %	-4,0 %	7,9 %	11,0 %	4,0 %
Profit before extraordinary items and taxes	-0,6	-0,5	1,6	1,6	0,3
% of net revenue	-2,8 %	-2,4 %	9,4 %	10,4 %	2,8 %
Extraordinary items	-0,3	0,8	0,0	0,0	0,0
Profit before appropriations and taxes	-0,9	0,3	1,6	1,6	0,3
% of net revenue	-4,3 %	1,4 %	9,4 %	10,4 %	2,8 %
Return on equity, %	-2,9 %	-5,0 %	17,4 %	76,4 %	11,2 %
Return on capital employed, %	-3,4 %	-2,3 %	20,1 %	53,9 %	14,9 %
Solvency ratio, %	66,2 %	63,6 %	72,0 %	26,5 %	20,2 %
Gross investments in non-current assets	0,7	5,4	3,2	0,6	0,3
% of net revenue	3,1 %	26,6 %	18,7 %	4,1 %	2,7 %
R & D costs	2,2	1,9	1,0	1,0	0,6
% of net revenue	10,0 %	9,5 %	6,1 %	6,6 %	6,6 %
Net Gearing	-17,6 %	-15,5 %	-52,8 %	19,2 %	123,5 %
Average number of personnel during the financial year	238	245	152	140	126

GROUP KEY FIGURES PER SHARE 1997-2001

Group key figeres per share	Financial year 1.1.–31.12 2001	2000	1999	1998	1997
Earnings per share, EUR	-0,04	-0,04	0,15	0,14	0,02
Equity per share, EUR	1,07	1,15	1,47	0,23	0,14
Dividend per share, EUR	0,00	0,02	0,03	0,01	0,01
Dividend in % of net profit	0,0 %	-25,8 %	22,2 %	7,0 %	37,0 %
Effective dividend yield, %	0,00 %	1,47 %	0,58 %		
Price/earnings (P/E-figure)	N/A	N/A	38,32		
Year-end market value, TEUR	7 221	11 680	47 675		
Weighted average of the number of shares, revised after the share issue, during the financial year	10 698 327	9 458 514	7 096 532	9 422	9 422
Number of shares, revised after the share issue, during the financial year	10 698 327	10 698 327	8 218 700	9 422	9 422

The key figures for each share for the years 1995-1998 have been revised in accordance with the number of shares immediately before the listing issue (6.569.800 shares).

Dividend of the financial year 2001 according to the proposal of the Board of Directors.

DETAILS OF SHAREHOLDERS

Major shareholders of Solteq Plc 31 December 2001

	Number of shares	Proportion of shares and votes, %
1. Saadetdin, Ali U.	3 159 312	29,31
2. Aalto, Seppo	1 662 206	15,42
3. Niininen, Ile	574 900	5,33
4. Koma Spolka Akcyjna	207 087	1,92
5. Saadetdin, Katiye	145 800	1,35
6. Meronen, Kari	144 000	1,34
7. Penttilä, Jarkko	124 900	1,16
8. Paloniemi, Asko	110 000	1,02
9. Hyttinen, Pertti	108 863	1,01
10. Foreign holdings Phalanx	101 100	0,94
Total	6 338 168	58,80
Shares in nominee registration	115 431	1,07

Distribution of shareholding 31 December 2001

In accordance with the shares owned

Number of shares	Shareholders	Proportion of shareholders %	Number of shares	Proportion of shares, %
1 – 100	574	19,14	47 847	0,44
101 – 1 000	1 888	62,95	868 867	8,06
1 001 – 10 000	454	15,14	1 352 706	12,55
10 001 – 100 000	73	2,43	2 170 739	20,14
100 001 – 1 000 000	8	0,27	1 516 650	14,07
1 000 000 –	2	0,07	4 821 518	44,73
Total	2 999	100,00	10 778 327	100,00

By shareholder group

	Proportion of shares
Corporate companies	6,25
Financial and insurance institutions	2,32
Public corporations	0,68
Non-profit organisations	0,26
Private households	88,14
Foreign owners	2,35
Total	100,00

The Board of Directors has 4.857.968 shares and 31.000 rights of option entitling to subscription of a total of 27.000 shares.

THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFITS

The Board of Directors proposes to the shareholders' meeting that the assets that can be distributed as profits be used as follows:

- dividend is not paid out
- the total loss of the financial year is transferred to the retained earnings account

Tampere 5 March 2002

Solteq Plc

Ali U. Saadetdin
Chairman of the Board

Seppo Aalto
Member of the Board

Roger Westerberg
Member of the Board

Hannu Partala
Member of the Board

Jorma Hänninen
Managing Director

AUDITOR'S REPORT

To the shareholders of Solteq Plc

We have audited the accounting, the financial statements and the corporate governance of Solteq Plc for the period of 1 January – 31 December, 2001. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Chief Executive Officer. Based on our audit we express an opinion of these financial statements and on corporate governance.

We have conducted our audit in accordance with the Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of the corporate governance is to examine that the Board of Directors and the Chief Executive Office have legally complied with the rules of the Finnish Companies Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view as defined in the Accounting Act, of both the consolidated and the parent company's result of operations as well as of the financial position. The financial statements can be adopted and the members of the Board of Directors and the Chief Executive Officer of the parent company can be discharged from liability for the period audited by us. The proposal of the Board of Directors regarding the distributable assets is in compliance with the Finnish Companies Act.

Helsinki, 5 March 2002
KPMG WIDERI OY AB
Authorised Public Accountants

Frans Kärki
Authorised Public Accountant

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